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C O N F I D E N T I A L SECTION 01 OF 05 ACCRA 001679

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SUBJECT: THE U.S. - GHANA RELATIONSHIP: THE AMBASSADOR'S  
PARTING THOUGHTS

REF: A. ACCRA 1505

[B](#). ACCRA 1386

Classified By: Ambassador Mary C. Yates for Reasons 1.5 d and e

[1](#). (C) Summary: The U.S.-Ghana relationship is strong and broad-based. In this message, I offer my parting thoughts on how the relationship has changed during my nearly three-year tenure as Ambassador, and identify some of the main challenges ahead. I leave very optimistic about Ghana. The GoG values its relationship with us, and there is enormous good will toward the United States among the Ghanaian people. Our relationship has been strengthened during my watch by the five meetings between Presidents Bush and Kufuor, and by the visits to Ghana of President Carter, Secretary of Labor Chow, HHS Deputy Secretary Allen, MCC CEO Applegarth, and numerous senior U.S. military visits and codels. The GoG was wildly enthusiastic when we were recently planning for a possible visit by Secretary Rice, as they saw it as validation of Ghana's rising status in Africa.

[2](#). (C) In the three years since my arrival, Ghana has turned around its economy, solidified its democracy and successfully concluded a peaceful election, and enhanced its reputation as a regional leader. While Ghana faces daunting economic and political challenges in the coming years, I believe it currently has the best chance of its history to make the leap to become a middle-income economy. As one of the only democratic, stable, and peaceful countries in West Africa, and with its growing importance as a regional leader and regional economic hub, Ghana stands to become even more important to United States foreign policy. 2007 promises to be a historical year for Ghana, as it celebrates fifty years of independence, while also hosting the African Union summit. Both events will solidify Ghana as continent-wide leader.  
End Summary

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Our Accomplishments  
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[3](#). (C) My dynamic Embassy team, scattered in eight compounds around Accra, has accomplished so much over the past three years. In my view, these are the highlights:

[4](#). (C) Political: We increased our cooperation with law enforcement, reflecting growing concerns about trafficking in narcotics, people, and arms. This included counternarcotics training and equipment, community policing equipment and training, computers for an Internal Monitoring Unit in the police, and basic police training. With a good deal of persistence and hard work by the Embassy team, Ghana's parliament passed an anti-trafficking in persons law and just this month signed agreements for \$450,000 in new assistance on TIP and narcotics. We supported the 2004 presidential and parliamentary election with over \$1 million in assistance and 50 teams of Embassy observers. We strengthened parliament through USAID, and sent five Supreme Court justices on an International Visitor program. We improved relations with the opposition NDC (In the past month alone, I hosted a lunch for former President Rawlings and received a large NDC entourage in my office).

[5](#). (C) Economic: The big story in Ghana since 2003 has been the improvement in the economy, and the U.S. played a critical role in shaping the GoG's economic policies through our technical assistance and direct political support and pressure. Our support for and urging of the GoG was integral to Ghana maintaining the reform program that enabled it to fulfill the necessary conditions to achieve Completion Point under the Heavily Indebted Poor Country (HIPC) Initiative in July 2004, resulting in approximately \$4.2 billion debt relief. Since 2003, the USG has dramatically increased economic engagement with Ghana, with Treasury, OPIC, ExImBank, the African Development Foundation, TDA, FCS, and USTR all expanding their programs. Ghana is a priority for USAID, and Washington identified the USAID-Ghana mission's program for specific praise. In addition, USAID's West Africa Regional Program (WARP) moved from Mali to Ghana, and we opened the West African Trade Hub (WATH) in 2003. WARP and WATH further raised Ghana's regional profile and helped to strengthen ECOWAS (especially with the development of the

ECOWAS Common External Tariff) while President Kufuor was the Chairman (2003-4).

16. (C) U.S. economic linkages are expanding rapidly. U.S. exports to Ghana rose from \$200 million in 2003 to \$300 million in 2004, in part due to our trade promotion efforts, and USTR has selected Ghana as a "pacesetter" country, due to its relative success in diversifying its exports to the U.S. under the AGOA program. We have revamped our commercial relationship, reviving the Amcham, facilitating numerous American business successes (including the GoG's recent award of an oil block operator-ship to U.S. firm Amerada Hess), and playing a critical role in the resolution of longstanding, high profile American investor disputes. We also supported the entry into Ghana of a number of large U.S. companies, including Newmont Mining, and ALCOA. The Embassy's political lobbying on the Ghanaian government added to direct technical assistance were the key factors in the signing of the agreement to build the Chevron-Texaco-led \$600 million West Africa Gas Pipeline, stretching from Nigeria to Ghana. The GoG is proud of this regional accomplishment and cites it frequently as the backbone of its energy strategy for economic growth. Also with our assistance, Standard and Poor's and Fitch Ratings Agencies gave Ghana its first-ever sovereign credit ratings (of B ). Finally, we supported Ghana Expo 2004 in Atlanta, which raised Ghana's business profile in America, and I lead a delegation to the Corporate Council on Africa's summit in June 2005.

17. (C) MCA: The inclusion of Ghana among the 16 countries eligible for assistance under the Millennium Challenge Account (MCA) was an enormous achievement for the GoG, and vindicated President Kufuor's politically difficult decision to implement macroeconomic reforms to stabilize the economy. Despite the GoG's enthusiastic support for the program, the MCA has had a difficult birth in Ghana. We worked hard to get the GoG organized, overcoming weak institutional capacity and unrealistic expectations. In recent months, the GoG has come a long way quickly, largely in response to our nudging. To support this progress, on August 12 we signed a \$3 million MCA 601g technical agreement with Ghana, which we hope will pave the way for a large, multi-year MCA program in Ghana by year-end.

18. (C) Health and Education: Both the GoG and USAID continue to prioritize these critical sectors in their poverty reduction strategies and resource allocation. USAID HIV/AIDS funding nearly doubled in Ghana in the past three years, significantly helping Ghana contain the AIDS epidemic and expand health care services. We partnered with the Dutch Embassy on promoting HIV/AIDS workplace policies at the ports and mines. Internally, we implemented a very successful workplace HIV/AIDS policy for the Mission, and still count as one of our greatest accomplishments the fact that the majority of local staff have been counseled and tested thanks to our innovative, day-long health fair last spring.

19. (C) Public Diplomacy: We have had an enormously successful Muslim outreach program, with Iftaars, dialogues in their communities, and about \$12 million in USG assistance each year focused on Muslim communities. We opened an American Corner outpost in 2004 in the predominantly northern city of Tamale, offering a reading library on America and a dozen internet stations. I saw the fruits of this effort during my recent visit to Kumasi, which has Ghana's most radical Muslim elements. The Regional Chief Imam and a group of about 30 Imams and Muslim Chiefs greeted me with a veritable love fest for America, eagerly taking our friendship pins with the American flag. My receptions from the Chief Imam of Tamale and the National Chief Imam in Accra over the past month were equally warm. Other major successes in PD have been reinforcing tertiary educational institutions (forging new partnerships with many universities and polytechnics, and expanding our Fulbright program). The launching of Voice of America FM broadcasting in Accra 24/7 in 2005 gives Ghanaians more American news and views.

10. (C) Management: After overcoming many property acquisition difficulties, we broke ground on our New Embassy Compound and are making great progress. General Williams promises a spring 2007 completion, which will add to Ghana's historic celebration. We put in place an effective State/USAID pilot program to harmonize administrative services. Embassy Accra volunteered to pilot and is on the verge of starting a DOS diplomatic post office as I depart which should be a real morale booster. We significantly improved our consular services, with on-line visa applications, electronic scheduling and increased staffing. As a result, the wait for non-immigrant visas has reduced from an average of six to three months. But we still need to reduce this further.

11. (C) Security: Our military-military cooperation has been transformed in the past few years, with dozens of Flag Officers' visits, three major ship visits, and assistance to the Kofi Annan International Peacekeeping Center, including at last a fulltime American military officer on staff. We

supported Ghana's military and peacekeeping leadership in ECOWAS, especially in their contributions to advancing the African Union's plan to stand-up force brigades. We initiated a State Partnership Program with the North Dakota National Guard, only the second in Sub-Saharan Africa. U.S. military built the Exercise Reception Facility, and we signed an African Fuel Initiative Hub agreement to facilitate future U.S. military engagements in West Africa. We also developed a more robust intelligence sharing relationship. Post's active Office of Defense Cooperation supports Ghana's regional leadership, through ACOTA assistance for peacekeeping as well as significant humanitarian assistance programs. Ghana has been very cooperative in the war against terrorism, signing all 12 UN terrorism conventions.

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The Challenges Ahead  
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12. (C) As we continue to build on our strong foundations with Ghana, we should be mindful of some potential problems as well. The main ones I see are:

13. (C) Governance: Corruption and cronyism are growing concerns, as revealed by two recent public opinion surveys (refels), and this is an area the GoG must focus on if it is to continue its impressive economic and political reform movement. Parliament and anti-corruption institutions are ineffective. Politics is highly polarized, with little cooperation between the main NPP and NDC parties, as was recently witnessed in their debate over whether to allow expatriate Ghanaians to vote. Traditional chieftaincy disputes (mostly over land) and some level of isolated ethnic tension cause social strains. All of these factors have the potential to corrode Ghana's democracy. We will also have to work to keep the GoG from being too distracted by the politics of election 2008. Some observers believe pre-election politicking is already beginning to slow down government decision-making.

14. (C) Reducing Poverty: The GoG's careful management of the economy turned a distressed economy in 2002 into an economy marked by 5.8% growth, low inflation, and a stable exchange rate in 2004. However, the economy is heavily dependent on gold and cocoa exports and is, therefore, vulnerable to external shocks. With weaker cocoa prices and rising oil prices, Ghana's declining terms of trade could pose some balance of payments challenges down the road. Investment levels are still low, and a top priority is for the GoG to improve the investment climate. Poverty remains high in much of Ghana, and average Ghanaians do not yet see the benefits of the government's macroeconomic reforms.

15. (C) Regional Conflict: There is always the potential for spillover from Ghana's turbulent neighborhood, especially with a view to the upcoming elections in Cote d'Ivoire and Liberia. There is already the beginning of some refugee fatigue in the GoG as seen with the recent influx of Sudanese. The GoG also worries about illegal arms transfers, rising narcotics trafficking, armed crime. We will have to monitor the impact of regional events on Ghana and work to reinforce Ghana's leadership on many issues in the region.

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Moving Beyond the Legacies  
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16. (C) Our relationship with Ghana will have to work through some legacy issues over the longer term.

17. (C) The Nkrumah Legacy: Nkrumahist socialism/Panafricanism/non-alignment helped forge the sense of nationhood and unity that Ghana enjoys today. It helps explain why Ghana is not wracked by the kinds of ethnic strife seen elsewhere in the region. Nkrumahist socialist economics is still seen in a pervasive policy of state intervention in the economy and business transactions, and an assumption by the public that the government is responsible for the economy. However, it also impacts Ghana's foreign policy in a way that is not always helpful. Ghana stresses nonalignment, African unity. For example, we see this in Ghana's UN voting record. In 2004, the GoG's coincidence with us on overall votes in the UN was only 14.5% (22.2% on important votes), slightly below average for Africa.

18. (C) The Dependency Legacy: Ghana's dependence on foreign assistance over a long period of time has built a paradigm of dependence that impacts our relationship. Add to this the large Ghanaian diaspora population in the U.S. and the result is a knee-jerk "what can you give me" mentality. There is a need to build more entrepreneurship, more bureaucratic capacity, more of a sense of responsibility for tough economic decisions.

19. (C) The Traditional Legacy: Ghana's traditional chiefs and rulers have a strong hold. They have a positive impact

on many aspects of Ghanaian culture. However, their control of land generates conflict at times, and is the single biggest problem for foreign investors looking at Ghana. They impact political decision-making -- the Ashanti king, for example, has tremendous influence over political appointments. They reinforce traditional beliefs, which negatively impact human rights, such as early marriages, domestic trafficking of persons, and punishing suspected witches. Traditional power structures impact Ghana in ways which affect (largely negatively) our bilateral relationship.

120. (C) The Rawlings Legacy: Former President Rawlings still has a big impact on Ghana. He is still a major force in the opposition NDC, although he splits the party among Rawlings supporters and detractors. While his political weight alone is capable of drawing significant votes for the NDC, there are those that say his presence in politics hampers the NDC's ability to win an election. Many Ghanaians oppose the NDC because they do not want a return to days of human rights abuses and restraints on civil liberties. Rawlings' personal feud with President Kufuor exacerbates tensions between the parties. There is an element of bile in Ghanaian party politics that is fueled by Rawlings' continued activism in politics (although he is not entirely to blame for it). It undermines the health of the country's democracy.

121. (C) The Constitutional Legacy: At some point Ghana will have to rethink flaws in its 1992 constitution. Ghana's fourth constitution established a parliamentary/presidential hybrid, which concentrated excessive power in the executive. Many Ghanaian political analysts see these flaws. The result is that Parliament cannot initiate laws, many local government officials are not elected, one half of Parliamentarians are government ministers, and there is no limit on the numbers of Supreme Court justices. There is broad understanding of the need to reform the constitution, although it will be difficult to find the political consensus to do so. The constitutional deficiencies limit our ability to strengthen Ghana's democracy, including its ability to instigate legislation covering a range of issues relevant to our relationship (such as IPR, money laundering, Whistleblower, and other laws).

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Comments

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122. (C) Moving beyond these legacy issues will be a process of political development that will take time. The outlook is bright. Ghana has moved beyond a military legacy, an anti-American legacy, and a history of traditional ethnic tensions. It has overcome decades of economic mismanagement and begun to build a vibrant civil society. It has established a long track history of positive international engagement, from peacekeeping to regional peace efforts. We have built a solid foundation for our bilateral relationship, and over the past few years have added important new dimensions, such as our mil-mil ties, counterterrorism cooperation and Muslim outreach efforts. President Kufuor feels he has developed a personal relationship with President Bush. The MCA, G-8 debt relief, our law enforcement cooperation, and other components of our engagement with Ghana have further boosted our standing here. We will reap benefits from our continued efforts to reduce the wait for non-immigrant visa appointments and increase the transparency to the public of our visa process.

123. (C) I leave Ghana proud of all these accomplishments and optimistic that, despite its many challenges and legacy issues, Ghana is on the right track. On August 19 President Kufuor conferred on me Ghana's highest honor, The Grand Medal, and asked the Foreign Minister to read a citation re-capping many of my Mission's accomplishments. As we look forward toward 2007, the 50th anniversary of Independence, 50 years of our bilateral relationship, the opening of the new U.S. Embassy compound, and Kufuor's expected ascendance to the Chairmanship of the African Union, Ghana will only grow in importance within Africa and to the United States. End Comment.

YATES